

# **Tennessee Valley Authority Conflict of Interest Policy**

The Board of Directors of the Tennessee Valley Authority (TVA) adopts this Conflict of Interest Policy which shall be applicable to Board members, the Chief Executive Officer, and employees of TVA.

## **I. General Principles**

Members of the Board of Directors will hold themselves and each other to the highest standards of integrity, honesty, and ethical conduct. Similarly, the Board will require that the Chief Executive Officer and all TVA employees shall conduct themselves with integrity and follow ethical and conflict-of-interest policies established by TVA and the Federal Government in their business practices, actions, and transactions.

## **II. Policy Applicable to All TVA Employees**

The Board of Directors reaffirms that all TVA employees, including TVA Directors and the Chief Executive Officer, shall comply with applicable conflict-of-interest laws, regulations, and policies which govern their business and personal conduct, including but not limited to the general federal conflict of interest statute (18 U.S.C. Section 208) and the Standards of Ethical Conduct for Employees of the Executive Branch (5 C.F.R. Part 2635).

## **III. Additional Policy Applicable to TVA Directors and the Chief Executive Officer**

In addition to the law and policy applicable to all TVA employees, TVA Directors and the Chief Executive Officer shall comply with the following additional policy restricting the holding of certain financial interests:

1. For purposes of this policy, "financial interest" means an interest of a person, or of a person's spouse or minor child, arising by virtue of investment or credit relationship, ownership, employment, consultancy, or fiduciary relationship such as director, trustee, or partner. However, financial interest does not include an interest in TVA or any interest:
  - comprised solely of a right to payment of retirement benefits resulting from former employment or fiduciary relationship,
  - arising solely by virtue of cooperative membership or similar interest as a consumer in a distributor of TVA power, or
  - arising by virtue of ownership of publicly traded securities in any single entity with a value of \$25,000 or less, or within a diversified mutual fund investment in any amount.
2. Directors and the CEO shall not hold a financial interest in any distributor of TVA power.
3. Directors and the CEO shall not hold a financial interest in any entity engaged in the wholesale or retail generation, transmission, or sale of electricity.

4. Directors and the CEO shall not hold a financial interest in any entity that may reasonably be perceived as likely to be adversely affected by the success of TVA as a producer or transmitter of electric power.
5. Any action taken or interest held that creates, or may reasonably be perceived as creating, a conflict of interest restricted by this additional policy applicable to TVA Directors and the Chief Executive Officer should immediately be disclosed to the Chairman of Board of Directors and the Chairman of the Audit and Ethics Committee. The Audit and Ethics Committee shall be responsible for initially reviewing all such disclosures and making recommendations to the entire Board on what action, if any, should be taken. The entire Board, without the vote of any Director(s) involved, shall determine the appropriate action to be taken.
6. Any waiver of this additional policy applicable to TVA Directors and the Chief Executive Officer may be made only by the Board, and will be disclosed promptly to the public, subject to the limitations on disclosure imposed by law.

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Approved by the Board of Directors of the Tennessee Valley Authority  
November 30, 2006